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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA
SACRAMENTO DIVISION

In re:

RUSSELL WAYNE LESTER, an
individual, dba Dixon Ridge Farms,

Debtor in Possession.

CASE NO.: 20-24123-E-11

Chapter 11

FWP-2
FWP-14
FWP-21

Date: April 8, 2021
Time: 2:00 p.m.
Courtroom: Judge Ronald H. Sargis
Modesto Division
1200 I Street, Suite 200
Modesto, CA

**DEBTOR IN POSSESSION'S APRIL 8, 2021 HEARING STATUS REPORT
(FWP-2, FWP-14 and FWP-21)**

Russell Wayne Lester, an individual, dba Dixon Ridge Farms, and the debtor in possession ("Debtor in Possession") in the above-referenced case ("Case") hereby submits a status report on the hearings in the Case (FWP-2, FWP-14 and FWP-21) set on the Court's April 8, 2021, 2:00 p.m. calendar (the "April 8 Hearing") as follows:

Hearing on Approval of Chapter 11 Amended Disclosure Statement (FWP-14)

The Debtor in Possession filed its Amended Plan and Amended Disclosure Statement on April 1, 2021. Prior objections by Prudential Life Insurance Company of America ("Prudential") (Docket No. 328) and First Northern Bank of Dixon ("FNB") (Docket No. 318) have not yet been withdrawn.

1 No additional objections were filed on April 5, 2021 and the Debtor in Possession anticipates
2 that Prudential will withdraw its Disclosure Statement objection at the hearing concurrent with the
3 settlement motion's approval (FWP-21) addressed below. The Debtor in Possession has filed a
4 Reply¹ to FNB's prior Objection and anticipates that the Disclosure Statement Hearing will go
5 forward as a contested hearing.

6 The Debtor in Possession anticipates the time for the hearing will be in the forty-minute
7 range.

8 **Final Hearing on Use of Cash Collateral (FWP-2)**

9 FNB filed an opposition to the continued use of cash collateral on April 5, 2021. The Debtor
10 in Possession has or will shortly be filing a Reply and a Declaration of Russell W. Lester in
11 response. The Debtor in Possession anticipates that the cash collateral hearing will go forward as a
12 contested hearing. The Debtor in Possession anticipates the time for the hearing will be in the
13 twenty-minute range.

14 **Hearing on Approval of Settlement, Restructuring and Lock-Up Agreement (FWP-21)**

15 The Debtor filed the Motion to Approve the Settlement Restructuring and Lock-Up
16 Agreement on shortened time. The Order approving this shortened time (Order Docket No. 514),
17 allows oppositions to be made at the April 8 Hearing. The Debtor in Possession has not received an
18 oral or written opposition but anticipates that FNB may choose to oppose this motion. If FNB

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25 ¹ Since filing its Reply, the Debtor in Possession's counsel has reviewed new guidelines regarding the availability for
26 PPP2 loans for a Chapter 11 debtor in possession. The SBA's frequently asked questions as of April 6, 2021 now
27 state that "[i]f an applicant or owner has filed a Chapter 11, 12 or 13 bankruptcy petition, the applicant or owner is
28 considered to be "presently involved in any bankruptcy" for PPP eligibility purposes until the Bankruptcy Court has
entered an order confirming the plan in the case." Prior to the hearing, the Debtor in Possession's counsel will be
reaching out to counsel for Prudential about a timeline that would create a chance for a confirmation order to be
entered before the May 31, 2021 deadline for applying for a PPP2 loan. The SBA document received by counsel is
attached as Exhibit 1 to the Exhibit Document to this Status Report, filed concurrently herewith.

1 opposes, the Debtor in Possession anticipates the time for this hearing will be included in the above
2 forecast minutes during which approval of the Disclosure Statement hearing is being considered as
3 both matters are interrelated.

4 Dated: April 7, 2021

FELDERSTEIN FITZGERALD
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6 By: /s/ Thomas A. Willoughby
7 THOMAS A. WILLOUGHBY
8 Attorneys for Debtor in Possession
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